

	<p align="center">Department of Administration</p> <p align="center">Policy – External</p> <p align="center">Risk Management & Tort Defense Division</p> <p>Subject: Risk Management Plan – The structure of the state risk management program and the responsibilities of state agencies.</p> <p>This policy may be found in its entirety in the Risk Management Program Manual, Section XIV.</p>	<p>Number: FY01-03</p>
		<p>Effective Date: 8/98</p>
		<p>Approval: Final</p>

RISK MANAGEMENT PLAN

- A. **PURPOSE:** The purpose of the Risk Management Plan is to establish requirements within the State of Montana for all participants to wherever feasible prevent, reduce, or transfer losses stemming from the state's exposure to property, legal liability, personnel, or revenue losses.
- B. **AUTHORITY:** The authority for this program is 2-9-201, MCA and by Executive Order 14-98.
- C. **APPLICABILITY:** The program applies to all employees of the State of Montana and its participants. This plan encompasses pure risks assumed by state government in the scope and course of its operations. A pure risk is a risk which presents a chance of loss but not gain. Examples of pure risks include property damage, liability, fidelity, and inland marine exposures. Pure risks are not considered to include the deliberately assumed costs of employee group health, life, disability, or workers' compensation benefits which are administered by other state participants.
- D. **OBJECTIVE:** The objective of the program is the conservation and preservation of state resources through risk control and/or risk transfer is the major objective. Effective risk management plays a key role in reducing the high costs which the state and its public must bear to pay for losses associated with injury, property loss, legal liability, or loss of income/revenue.

E. ORGANIZATION AND RESPONSIBILITIES:

1. **DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION:** The Director of the Department of Administration is responsible for monitoring the State of Montana Risk Management Program. To accomplish this, the director shall:
 - a. Appoint the Risk Management and Tort Defense Division to be responsible for the program, reporting to the director.
 - b. Assure that risk awareness of state managers and employees is an integral part of all state operations.
 - c. Encourage all state employees to actively support the risk management program.
 - d. Approve loss prevention recommendations which effect overall State of Montana operations.
2. **RISK MANAGEMENT AND TORT DEFENSE DIVISION:** The Risk Management and Tort Defense Division is responsible for establishing and maintaining the Statewide Risk Management Program. To achieve this end, the division shall accomplish the following:
 - a. Draft, distribute, review at least annually, and modify as necessary the State of Montana Risk Management Program.
 - b. Provide direction and guidance to the Risk Management Advisory Committee and the Safety Coordinators Committee.
 - c. Promote risk awareness to state participants through the distribution of risk and loss prevention materials, consultation, and training as time and resources permit.
 - d. Coordinate inspections of participants as necessary and deemed appropriate to maintain the insurability of state assets.
 - e. Maintain, compile, and summarize the losses of participants and distribute this information at least annually to the Safety Coordinators. This loss data will help to identify trends and problem areas which require attention.
 - f. Assure that all losses are investigated by participants as soon as possible. Assure that investigations are thorough enough to identify the root causes of the accident. Work with state participants where feasible to assure that preventative action is taken where feasible to prevent recurrence of the loss.

- g. Maintain the risk management library for the State of Montana. Provide each participant access to training videotapes and loss prevention materials on a check-out basis.
 - h. Inform the Director of the Department of Administration of risk management problems within state government and the status of the risk management program. Provide the Risk Management Advisory Committee, at least annually, with an executive summary of risk management activities.
 - I. Collect source data for all participants in state government.
 - j. Investigate, evaluate, and resolve all meritorious claims at the lowest possible cost to the state consistent with legal and ethical obligations and the need to establish acceptable precedents.
 - k. Allocate costs of commercial and self-insurance protection to state participants.
3. **DIRECTORS OF PARTICIPATING AGENCIES:** Within his/her area of responsibility each participant director is ultimately responsible for minimizing losses and accidents by encouraging and supporting a program of risk awareness and risk management. To accomplish this, each director shall:
- a. Identify major areas of loss exposure and assure that loss prevention and control is an integral part of operations, employee training, and supervisory accountability. Assure that work areas are observed by supervisors on a regular basis in order to identify unsafe acts or conditions.
 - b. Appoint a Risk Management Representative who will participate in the State Risk Management Advisory Committee, oversee the reporting of Source Data, communicate relevant insurance issues, and be responsible to the director to implement the Risk Management Program.
 - c. Appoint a Safety Coordinator to be responsible for the distribution and coordination of safety training and loss control information to management and all entities within the participating agency. The Safety Coordinator shall also keep the director informed about significant losses and loss prevention issues.
 - d. Forward the name of each new appointee (or other designate should the appointee change) to the Risk Management and Tort Defense Division.
 - e. Assure that accidents and losses are investigated by supervisors and employees immediately after occurrence. Assure that investigations are thorough, and that meaningful preventive action is recommended. Take whatever action is necessary to implement the recommendations to
 - f. include temporary measures to prevent recurrence while more permanent solutions are being considered.

4. **RISK MANAGEMENT REPRESENTATIVES:** A Risk Management representative for each participant indicated in the executive order will be appointed by the director. These representatives shall:
- a. Coordinate the dissemination of insurance and other risk management information from the Risk Management and Tort Defense Division or the Risk Management Advisory Committee to key personnel within the participant and all associated boards, councils, commissions, etc., under the auspices of the participant for supervisory and reporting purposes.
 - b. Regularly attend and participate in the State Risk Management Advisory Committee.
 - c. Ensure that all losses are reported by employees and supervisors to the Risk Management and Tort Defense Division, in accordance with claims reporting policy and procedure using approved reporting forms (see Claims Administration section).
 - d. Supplement this manual, as necessary, after submitting proposed changes to the activity and managers and the Risk Management and Tort Defense Division for approval.
 - e. Follow-up in a timely manner on recommendations from commercial insurers in order to preserve the insurability of the state's assets.
 - f. Assure that source data information is accurate and collected in a timely manner.